

**RECONCILIATION:  
AUDITED EXPENDITURES V. ADOPTED BUDGET: FY2008**

General Fund Original Budget (As Shown in FY2008 Audit)	\$41,689,244
Subtract Transfers to School Fund (As Shown in FY2008 Budget)	(\$7,203,391)
Adjust for Scholarship Transfer (Not Shown in Audit)	\$5,000
<b>County's FY2008 Operating Budget Approved 6/12/2007</b>	<b>\$34,490,853</b>
General Fund Total Audited Expenditures (As Shown in FY2008 Audit)	\$39,413,810
Net Out Transfers to School Fund	(\$7,203,391)
Accounting Adjustment, School, DSS and CSA Figures Used in County Budget <sup>1</sup>	(\$32,264)
<b>FY2008 Actual Expenditures, used for County Budgeting Purposes</b>	<b>\$32,178,155</b>

Recently, a few individuals have incorrectly asserted in various public discussions that the County “overspent” its budget in FY2008 by \$5 million. These individuals make reference to the total expenditures shown in the County’s FY2008 *audit* (\$39,413,810), compare those with the total dollar amount of the County’s approved FY2008 *budget* (\$34,490,853), and reach the erroneous conclusion that overspending occurred. This conclusion is based on a lack of understanding of the differences between the County’s audited financial statements and its operating budget.

The numbers reported in the County’s audited financial statements and the numbers used within the County’s and School’s budget documents cannot be reviewed as an “apples-to-apples” comparison. In order to reconcile an annual audit with the County’s budget document, it is necessary to begin with an understanding that all County revenues are collected and accounted for within what is referred to as the County’s General Fund. Some of the amounts collected into the General Fund are shown in the County’s budget document as being dispersed to the School division through “transfers,” because the County and the School system each maintains its own separate operating budget. However, public auditors regard the County and the School as a single entity for purposes of the annual General Fund Audit; therefore, when the County’s auditors calculate total county revenues and expenditures, the transfers must be netted out to avoid double counting.

The chart set out above within this document demonstrates that, after taking into account the adjustments necessary to reconcile the budget document with the audited financial statements, the County operated within its approved budget for FY2008.

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<sup>1</sup> The School system, DSS and CSA did not begin use of full accrual accounting for operating accounts until FY2009. Therefore, numbers used in the County’s budget document, which are obtained from the component units’ day-to-day books and records, need to be adjusted to account for the deviation of budget documents from end-of-the-year audited figures.